Automotive News

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Ford revamps field sales, will close 31 offices

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Houston Ford dealer Jack Roach says it doesn't bother him one bit that Ford Motor Co. is closing the Houston district office, one of 31 field offices it will shut before the end of the year.

The offices that will be closed are operated by Ford Division, Lincoln-Mercury Division and the Ford Parts and Service Division.

Roach, owner of Jack Roach Ford Inc., says he never sees his zone manager anyway.

"I've only seen him twice," Roach said of the zone manager. "One time was when the local television station was coming over to shoot a commercial, and he (the zone manager) just wanted his big, fat face in it.

"You can print that."

The closings will leave 50 offices across the country and will eliminate 165 jobs. There are 576 employees in the 31 offices affected.

The company also said responsibility for all major fleet activity will be centralized in Ford's offices in downtown Detroit.

Ford Chairman Harold Poling has ordered a 10 percent cut in white-collar costs this year. The 165 job losses at the sales offices represent 8 percent of the total work force in those offices.

A letter to dealers specified that there will be no change in the number of zone managers contacting dealers directly. The letter also said the company will double the support staff at all remaining locations and add several new management positions, including eight regional marketing managers.

"The intent was to figure out a way to serve the field better and more efficiently," said Ford spokesman John Spelich. "We didn't do this just to cut costs; we will be beefing up the offices that remain."

Spelich maintained that the field organization can do just as good a job with 38 percent fewer offices.

He said that closing the eight regional offices will eliminate a layer of management that Ford and L-M divisions believe is not necessary. Under the old system, district offices report to the regions, and the regions report to company headquarters.

see FORD, page 51

John Elway calls shots on car lots

By Mary Beth Vander Schaaf
NEWS EDITOR

When Denver Broncos quarterback John Elway isn't hustling on the gridiron, he's hustling iron on the lots of his new-car dealerships.

Elway and his partner, veteran dealer Rod Buscher, last week scored one of the largest automotive acquisitions in Colorado history when they bought Metro automobile group from Mel Nelson. Metro comprises Toyota, Honda, Oldsmobile, Hyundai, Suzuki and Daihatsu franchises in the Denver area and tallied $85 million in sales last year, Elway said.

Said Buscher: "This was bigger than what we were looking for, but with the franchises that were involved, the opportunity was too great to pass up."

Elway, 30, has taken the Broncos to three Super Bowls but has yet to win one.

He draws parallels between dealing cars and playing football.

"It's always interesting," he said. "Something different happens every day."

Elway plans to be at the dealerships every day in the off-season. "During the season he'll stay in contact but his priority then is football," Buscher said.

Elway and Buscher are operating the Metro franchises as three dealerships: John Elway Toyota in Englewood, John Elway Honda in Westminster, and John Elway Motors (Oldsmobile-Hyundai-Suzuki-Daihatsu) in Westminster.

Elway entered the car business in June 1989 with Buscher, Broncos owner Pat Bowlen and two other partners.

They owned a Jeep-Eagle store in Thornton, Colo., and added a Mazda store in Englewood.

In a stock swap last month, Elway and Buscher gained ownership of John Elway Mazda and ceded their interest in Pro Jeep-Eagle.

Elway said his initial dealership involvement was promotional and

see ELWAY, page 51

AUTOMOTIVE NEWS JOE WILSSENS

One-day walkout

Rail workers Louis Joseph, left, and Bill Nash picket near Chrysler Corp.'s Sterling Heights, Mich., assembly plant hours before President Bush signed an order ending the stoppage. Story on Page 2.

Panda drops dream of building China car

By Stephen Vines
SPECIAL CORRESPONDENT

HONG KONG — Panda Motors Corp., the would-be automaker backed by Korea's Unification Church, has abandoned its plan to build cars in China and is seeking a buyer for its assets.

The decision to drop the two-year-old project — which once envisioned building a huge greenfields complex capable of producing 300,000 cars a year for worldwide export — was "really a matter of economics," Richard Cummins, chief operating officer of Panda Motors (China) Corp., said in Hong Kong last week.

According to Cummins, attempts to attract independent investors to the proposed $1 billion project were unsuccessful, as were attempts to find a carmaker willing to supply kits for production. He did not disclose the amount of the Unification Church's investment in the project to date.

Panda is now looking for an established automaker to take over the project or to acquire a substantial equity stake in the corporation and produce its own marque in the yet to be completed plant situated at Dan Shui, near China's border with Hong Kong, he said.

"We're looking for someone who is already producing cars and has an interest in China," he said.

> We're looking for someone who is already producing cars and has an interest in China.
>
> **Richard Cummins**
> Panda Motors Corp.

Perhaps the key reason for the project's failure, however, was Panda's inability to find a carmaker willing to supply kits to the new company. Although it was the company's stated intention to "develop" its own range of 1.6-liter sedans and minivans, it would have had to begin with kit assembly of someone else's car.

But Japanese and Korean companies said they had little enthusiasm for equipping a potential rival to compete in export markets.

Cummins said Japan's Nomura Securities Ltd. had been retained to find a buyer or equity partner for Panda, and that the firm has spent the past four weeks contact-

see PANDA, page 51

VW looks to Mexico for more cars

Puebla may be new home for current German-sourced vehicles

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

WOLFSBURG, Germany — Volkswagen AG, which already has the goal of producing all Golfs and Jettas sold in North America at its plant in Puebla, Mexico, may tap the facility to supply other models now shipped from Germany, VW Chairman Carl Hahn said in an interview last week.

"We are investigating further alternatives that could be profitably sourced in Mexico," he said.

Volkswagen has been exporting Golfs and Jettas to the United States from Mexico since closing its Westmoreland, Pa., plant two years ago. Conceivably, any German-sourced product now sold by VW in North America could eventually be put into production in Mexico, according to Hahn.

Besides Golf and Jetta, VW's North American offerings include the Passat, Corrado, Cabriolet and Vanagon from Germany, and the Brazil-built Fox.

Asked which additional products are under consideration for Puebla, Hahn said, "I do not yet have an answer to this question."

Volkswagen de Mexico S.A. de C.V., which holds an industry-leading 38 percent of the Mexican market, produces Golf, Jetta and Beetle cars and Type 2 minibuses and commercial vans at Puebla. Exports of about 46,000 cars to the U.S. and Canada last year are expected to rise to 150,000 in 1992 or 1993.

Volkswagen is spending $1 billion over five years to modernize and expand capacity to 300,000 to 200,000 units.

"We have upgraded Mexico,

see VW, page 50

Hahn: "We have twice doubled our production figures in Mexico. We are now at 1,000 vehicles a day."

NEWSPAPER

INSIDE:

Micro-mini motor homes recalled
NHTSA's four-year probe of micro-mini motor home manufacturers has ended with agreements with three makers and a partial agreement with a fourth to recall 10,053 units built on Toyota chassis. Story on Page 2.

Chrysler takes command of General rentals

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Even though it is trying to sell some of its assets, Chrysler Corp. has purchased General Rent-A-Car, which has a rental fleet of 18,000 vehicles.

Chrysler declined to disclose terms of the deal, which was completed April 3 and made General a wholly owned subsidiary.

Chrysler's purchase of General occurred as the domestic automakers are trying to stem the tide of so-called program cars that makers repurchase from daily rental fleets and sell to dealers through auctions. Automakers claim that dealers' sales of those nearly new autos to consumers are cannibalizing new-car sales.

Chrysler owns three other rental car companies: Thrifty Rent-A-Car Systems Inc., Snappy Car Rental Inc. and Dollar Rent A Car Inc.

An estimated 80 percent of General's fleet is composed of Chrysler vehicles, according to a Chrysler spokesman. General, based in Hollywood, Fla., operates about 70 locations in the United States, including airport and off-airport sites, Chrysler said.

Chrysler said it bought General because "it makes Chrysler more competitive and presents the company with a greater opportunity to put Chrysler vehicles in more locations."

But unlike its past acquisitions of rental car companies, Chrysler completed the purchase without a public announcement. That may be because Chrysler is in the midst of a $3 billion cost-cutting campaign and is trying to shed many assets to raise cash and curb spending.

General and Chrysler declined to specify General's 1990 revenue. But it is not a large player in the daily rent-a-car market.

Automotive Fleet magazine's *1990 Fact Book* ranks General No. 8 in the daily business/leisure rental field with estimated 1989 revenue of $190 million and a 2.6 percent share of the fleet market. Industry leader Hertz, with a fleet of 170,000 vehicles, had estimated 1989 revenue of $1.5 billion and 24 percent of the market.

Sixth-ranked Dollar, which is Chrysler's biggest car rental company with a fleet of 35,000 vehicles, had estimated 1989 revenue of $255 million and 5 percent of the market, the publication said.

As a subsidiary of Chrysler, General is the responsibility of Theodor Cunningham, Chrysler's executive vice president of sales and marketing. General has about 1,500 employees nationwide.

Chrysler's other three rental car companies are subsidiaries of Pentastar Transportation Group, a Chrysler subsidiary run by Bennett Bidwell. Bidwell retired last Dec. 31 as chairman of Chrysler Motors.

General was not put in the Pentastar Group to avoid a conflict of interest, a Chrysler spokesman said. Dollar has operations at airports, and Thrifty is an off-airport network. General competes in both areas. Snappy competes is a separate market, supplying temporary replacement vehicles for persons whose cars have been stolen or are being repaired after a collision.

F. Paul Silicato, who bought General in May 1989 with V. William Monaco, remains president of the company, Chrysler said. Monaco continues as executive vice president. Silicato doubled General's rental locations after his 1989 purchase.

CHRYSLER RENTAL FLEETS

Company	Cars
Dollar	35,000
Thrifty	27,000
General	18,000
Snappy	18,000
TOTAL	**98,000**

SOURCE: *Automotive Fleet*

Industry looks toward truck strike

May 31 deadline looms; government derails rail walkout

By Greg Bowens
SPECIAL CORRESPONDENT

The auto industry may have averted one disaster with the short railway strike, only to leap into the arms of another.

Negotiations between 31 U.S. and Canadian trucking companies and the Teamsters union begin today in Scottsdale, Ariz., with hopes that both sides can reach an agreement before the union's contract expires on May 31.

The rail strike began early last Wednesday and ended the next day after Congress and the president approved a bill establishing a new emergency board to resolve the dispute within 65 days.

Although U.S. factories lost little production during the brief rail strike, a trucking strike could prove to be a nightmare for the industry; every new car and light truck sold in the United States must be shipped by truck at some point.

Moreover, as the railroad strike illustrated, brief supply-line interruptions can close Big 3 assembly plants within days. Three U.S. assembly plants closed briefly because of the one-day strike.

Reports indicate that 60 percent of all new cars manufactured in the United States and 20 percent of all the parts used in assembly are transported by rail.

Last year, independent Canadian truckers blockaded ports of entry between Canada and the United States. Some parts shipments to assembly plants were halted and domestic assembly plants quickly shut down.

Japanese transplants went largely unaffected by the railway strike but will not escape so easily this time. Most of their parts are shipped by truck.

Jim Wiseman, a spokesman for Toyota Motor Manufacturing USA Inc. in Georgetown, Ky., provided an example of the transplants' particular dependency on truckers.

"Most of our parts and supplies now come in from U.S. suppliers. Every one of those come by truck," he said.

Robert Farrell, president of the National Automobile Transporters Association, said he is not optimistic about avoiding a strike.

The association, headquartered in Detroit, represents 35 of the approximately 45 auto carriers operating nationwide.

According to Farrell, 31 of his members operate with union employees and all of them are expecting a rough ride during the negotiations.

"There are going to be some problems," he said.

One of the key issues seems to be the practice of "double-breasting," where a larger freight company operates both union and non-union transporter companies. The Teamsters want to end the practice and force companies to agree to operate only union transporters.

HIDDEN IMAGE/HANS G. LEHMANN

The next generation Audi 80 will have a larger trunk and front grille similar to the 100 sedan.

THE 'NEW' AUDI: *80/90, 100/200 replacements spearhead drive for new niche*

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

BAY CITY, Mich. — Hoping to leave its past behind, Audi of America will replace more than half its product line in the 1992 model year and will try to reposition its cars between European and Japanese luxury models.

Richard Mugg, vice president in charge of Audi of America, said he believes the end of the recession coupled with the aging "baby boom" generation will expand the luxury car market.

Audi, he said, will earn its place in that segment by marketing itself as a "new" company with all-new, quality products and a smaller, more dedicated dealer body.

Audi has set its sights on the "gap" between the $38,000 Japanese luxury cars and the $48,000 European luxury cars.

"Audi will not attempt to position itself in the upper regions of that market, we're quite content in what we call the 'gap,'" Mugg said. "The gap between the 'blue-blooded' Mercedes-Benz and BMW and the newer entries from Japan."

The repositioning of Audi was among several topics discussed by Volkswagen of America Inc. executives, including William Young, president and chief executive officer, at a press briefing on the current state of the company. VWoA imports and markets Volkswagens and Audis in the United States.

In a six-month period beginning

see AUDI, page 52

Overweight micro-mini motor homes to be recalled

By Joseph Bohn
TRUCK EDITOR

The National Highway Traffic Safety Administration confirmed it has agreements with three manufacturers and a partial agreement with a fourth to recall 10,053 micro-mini motor homes, almost all built on Toyota chassis.

The agreements represent a breakthrough in NHTSA's four-year investigation of, and negotiation with, micro-mini motor home manufacturers to recall potentially dangerous vehicles they built between 1977 and 1986.

Many of the units involved were sold by new-car dealers.

The manufacturers include National RV Inc. of Perris, Calif., which agreed to recall 8,000 Dolphin-brand motor homes; Gardner Pacific Corp. of Vallejo, Calif., which will recall 906 vehicles; Coachmen Industries Inc. of Elkhart, Ind., which will recall 967 vehicles; and Leisure Odyssey Inc. in San Bernardino, Calif., which, thus far, has agreed to recall 180.

Tim Hurd, chief of media relations for NHTSA, said the agency is still discussing additional recalls with Leisure Odyssey and other manufacturers.

Last April, the agency determined there were 30 manufacturers who built an estimated 25,000 of the defective motor homes.

The vehicles have overloaded rear axles that can result in wheel bearing or axle shaft failure, causing the wheels to fall off.

They were built on Toyota's 5,500-pound gross vehicle weight mini pickup truck chassis.

An issue in the dispute had been whether Toyota encouraged the motor home producers to add too much weight to the chassis. The company has since developed a stronger 6,000-pound gvw rated chassis.

NHTSA is still determining which of the other manufacturers are still in business, which ones will agree to a voluntary recall and which may require a recall order.

NHTSA previously recommended that owners of the micro-minis should avoid unbalanced loads and minimize weight on the rear axle.

The motor homes were built on a chassis that had rear axles with a single wheel on each side, to which the manufacturers added dual rear wheels in almost all cases.

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Correction

Buick is on a pace to sell more than 500,000 cars in calendar year 1991, a total more than 200,000 units below the division's 1986 sales. A punctuation error in the April 15 issue created an incorrect projection of Buick's 1991 sales.

Mitsubishi's strategy: Beat luxury rivals' prices

By David Versical
and Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTERS

DALLAS — In a bid to gain instant attention in the luxury car segment, Mitsubishi Motor Sales of America Inc. will offer a version of its new Diamante sedan for less than $21,000.

Mitsubishi's plan to beat the competition's pricing is one element of a strategy to break away from the pack of "second-tier" Japanese automakers in the United States. Within five years, Mitsubishi wants to pass Mazda and become the No. 4 Japanese brand in the United States, said Rick Lepley, senior vice president of sales.

Diamante's price will start at $20,495. The high-trim LS version, with standard anti-lock brakes and traction control, will start at $25,135, Mitsubishi told its dealers here last week. Both models have a driver-side air bag.

Dealers will receive their first shipments this month, and Mitsubishi will pitch the cars as lower-priced alternatives to Lexus, Acura and Infiniti.

"Drive the LS and tell me what $13,000 more gets you in a (Lexus) LS400," Lepley told dealers.

The Diamante is the first of several new products that are due from Mitsubishi during the 1992 model year:

- The Expo "sports wagon," a van-wagon hybrid, will be shipped from Japan soon and will go on sale in July, company officials said. A smaller counterpart, the Expo LRV, goes into production in July. Expo will start below $13,000 and the Expo LRV will start below $10,000.
- The next generation of the Montero sport-utility will arrive by the end of 1991.
- A restyled Eclipse featuring a new rear-end treatment and fixed headlights arrives this fall.

Mitsubishi's 1992 Diamante is being shipped to dealers this month; the base model carries a sticker price below $21,000.

The new products, as well as sales to its captive daily rental company will help Mitsubishi sell 213,000 vehicles in the 1991 calendar year, including 16,000 Diamantes, Lepley said. That compares with 190,730 last year.

Mitsubishi officials told dealers that the company has created the infrastructure to help support continued rapid growth.

A new captive finance arm, Mitsubishi Motors Credit of America, Inc., began operations this month. It will offer a three-tiered loan program when it begins accepting retail applications June 1.

The best credit risks will be charged 0.25 of a percentage point less than the rates charged by competitive captive arms, the company said. The highest risks will pay 0.25 of a point above.

10-DAY CAR AND TRUCK SALES, BY MAKE

	Apr. 1-10 1991	Apr. 1-10 1990
ACURA (Imp.)	3,087	2,978
ALFA ROMEO (Imp.)*	68	53
ASTON MARTIN (Imp.)*	1	1
AUDI (Imp.)*	172	451
BMW (Imp.)*	934	1,087
Domestic car*	4,277	5,709
Imported car*	62	88
Domestic truck*	123	50
Chrysler Division*	4,462	5,847
Domestic car*	6,901	4,187
Imported car*	595	351
Domestic truck*	10,560	10,745
Imported truck*	76	302
Dodge*	18,132	15,585
Domestic car*	127	773
Imported car*	123	310
Eagle*	250	1,083
Domestic truck*	3,010	3,997
Jeep*	3,010	3,997
Domestic car*	4,595	7,338
Imported car*	225	348
Domestic truck*	3,907	3,182
Plymouth*	8,727	10,868
Domestic car*	15,900	18,007
Imported car*	1,006	1,097
Domestic truck*	17,600	17,974
Imported truck*	76	302
CHRYSLER CORP.*	34,582	37,380
Imported car*	107	244
Imported truck*	53	97
DAIHATSU*	160	341
FERRARI (Imp.)*	16	16
Domestic car	25,588	34,438
Imported car	1,341	1,434
Domestic truck	32,203	34,861
Ford Division	59,132	70,733
Domestic car	4,230	5,643
Lincoln	4,230	5,643
Domestic car	9,792	9,790
Imported car	1,647	245
Mercury	11,439	10,035
Domestic car	39,610	49,871
Imported car	2,988	1,679
Domestic truck	32,203	34,861
FORD	74,801	85,411
Domestic car	12,405	10,789
Buick	12,405	10,789
Domestic car	5,884	5,093
Cadillac	5,884	5,093
Domestic car	28,254	32,097
Imported car	2,748	3,897
Domestic truck	33,986	41,821
Imported truck	1	26
Chevrolet	64,989	77,841
Domestic car	11,370	11,690
Domestic truck	687	589
Oldsmobile	12,057	12,279
Domestic car	14,447	14,731
Imported car	1,288	448
Domestic truck	615	888
Pontiac	16,350	16,067
Domestic car	1,379	0
Saturn	1,379	0
Domestic car	73,739	74,400
Imported car	4,036	4,345
Domestic truck	35,288	43,298
Imported truck	1	26
GENERAL MOTORS	113,064	122,069

	Apr. 1-10 1991	Apr. 1-10 1990
Domestic car	10,312	9,455
Imported car	4,770	4,706
HONDA	15,082	14,161
Imported car*	2,401	2,396
HYUNDAI*†	2,401	2,396
INFINITI (Imp.)*	478	318
Imported car*	149	80
Domestic truck	557	243
Imported truck*	1,946	2,321
ISUZU*	2,652	2,644
JAGUAR (Imp.)*	208	349
LAMBORGHINI (Imp.)*	3	3
LEXUS (Imp.)	914	814
LOTUS (Imp.)*	5	5
MASERATI (Imp.)*	4	4
Domestic car	1,985	3,139
Imported car*	2,997	3,100
Domestic truck	189	0
Imported truck*	2,019	1,994
MAZDA*	7,190	8,233
MERCEDES-BENZ (Imp.)*	1,047	1,378
Domestic car	2,091	1,485
Imported car*	1,287	1,774
Imported truck*	313	728
MITSUBISHI*	3,691	3,987
Domestic car	2,044	1,526
Imported car*	3,856	6,522
Domestic truck	2,173	2,731
Imported truck*	2,904	4,043
NISSAN*	10,976	14,822
PEUGEOT (Imp.)*	69	96
PORSCHE (Imp.)*	107	188
RANGE ROVER (Imp.)*	64	72
ROLLS/BENTLEY (Imp.)*	20	20
SAAB (Imp.)*	750	455
STERLING (Imp.)*	48	81
Domestic car	631	76
Imported car*	1,370	2,202
SUBARU*	2,001	2,278
Domestic car	13	0
Imported car	57	95
Domestic truck	71	0
Imported truck	290	320
SUZUKI	431	415
Domestic car	3,825	5,379
Imported car	5,310	6,173
Imported truck	3,727	3,938
TOYOTA	12,862	15,490
Imported car*	1,638	2,606
Imported truck*	91	132
VOLKSWAGEN*	1,729	2,738
VOLVO*†	1,472	1,453
YUGO (Imp.)*	29	114
Domestic car	150,150	163,338
Imported car	41,325	46,877
TOTAL CAR	191,475	210,215
Domestic truck	88,081	99,187
Imported truck	11,484	13,973
TOTAL TRUCK	99,565	113,080
TOTAL CAR & TRK	291,040	323,295

*Estimated †Breakdown of North American built and imported car sales not available.
There were 8 selling days in the period this year and 9 last year.

Freightliner to cut staff, shut field offices

By Joseph Bohn
TRUCK EDITOR

NASHVILLE, Tenn. — Freightliner Corp. is sharply reducing its overhead to achieve a lower break-even point for the commercial truck market of the 1990s.

"We do it once, and we do it right," said Dieter Zetsche, president of the subsidiary of Germany's Mercedes-Benz AG.

Freightliner plans to get rid of 20 percent of its salaried employees, close several regional sales and warehousing operations and trim price increases it had negotiated with vendors.

Its goal is to be able to make money selling about 19,000 Class 8 trucks yearly, according to Zetsche.

The company had "slight negative results" last year selling 23,032 Class 8s, and its sales in the first three months of calendar 1991 dropped 10.2 percent below last year, according to the Motor Vehicle Manufacturers Association.

All heavy-truck makers are losing money on their manufacturing operations, according to Frank Prezelski, an analyst with Rothschild Inc. in New York.

Cummins Engine Co. of Columbus, Ind., for example, told analysts that it expects to report a $35 million loss for the first-quarter.

Cummins, the industry's major engine supplier, wants to reduce its break-even point to an incredibly low 75,000 to 80,000 industry truck sales, according to Prezelski.

Navistar International Corp. has also been furloughing employees and cutting overhead. Navistar reported a loss of $38 million in its first quarter, which ended Jan. 31.

Mack Trucks Inc. lost $285 million in 1990 and dragged parent Renault Vehicules Industriels into the red, according to RVI Chairman Jean-Pierre Capron.

Freightliner sales haven't been bad. It captured 22.9 percent of the Class 8 market in the first three months of this year, compared to 19.0 percent in calendar 1990.

But still, the company wants to "reduce our dependence on volume in a very important way," Zetsche said, predicting an "important improvement in our results" starting by year's end.

Zetsche, like other truckmakers, is looking for industry sales of 100,000 to 110,000 this year, down from 121,324 last year.

"The only way to be a long-term winner is if you have room in your cost structure to follow market trends going up or down," he said.

The company declined to say exactly how many salaried positions it plans to eliminate, though industry sources put the figure at 400 to 500. Freightliner has about 5,100 employees, according to Debra K. Nicholson, director of public affairs.

Reductions through attrition, layoffs and early retirements are expected to be completed by year's end.

Other shutdowns will occur more quickly.

The Chicago and Dallas regional sales offices will be closed May 1, and their activities will be absorbed by four remaining sales offices.

A Dallas parts distribution center will close by July 1, and its operations will be taken over by four remaining distribution centers.

Freightliner negotiated 1991 price increases with its suppliers last year, but has since gone back to renegotiate smaller increases.

Freightliner invested a record $100 million in a new medium-duty line of trucks in 1990 and 1991 and plans to invest another $200 million in U.S. operations during the next five years.

Sales again trail lackluster 1990 total

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

April started with more of the same bad news from the nation's sales managers. Despite a rise in consumer optimism, car and light-truck sales again trailed last year's tally. And last year was nothing to brag about.

Combined car and light-truck sales of 291,039 represent a 10 percent decline from the 1990 period.

Because there was one more selling day in early April this year, the daily selling rate fell even more sharply, down 20 percent.

The figures are in line with the year so far. March ran 14.9 percent behind last year, and the first quarter was down 18.9 percent.

Light-truck sales were off more than cars in early April, and imported trucks were off the most.

Industry light-truck sales of 99,565 were off 12.0 percent from April 1-10, 1990.

Relative to imports, U.S.-built trucks showed some strength, thanks in large part to Chrysler Corp. trucks, which were off only 600 units.

Minivan sales for the industry were particularly strong in March, up 32.1 percent, and likely contributed to Chrysler's success in early April. Chrysler does not release 10-day sales figures, but *Automotive News* estimates them.

Domestic truck sales were off 11.1 percent to 88,081 in early April; imported trucks fell 17.8 percent to 11,484.

Ford Motor Co. led the decline at the Big 3, with sales falling 13.4 percent to 74,801; both cars and trucks dipped.

Chrysler Corp. sales slipped 7.5 percent to 34,582 cars and trucks, and General Motors fell 7.4 percent to 113,064.

Dodge sales climbed 16.4 percent on a strong performance from domestic cars. Plymouth minivan sales rose 22.8 percent, but Jeep deliveries declined 24.7 percent for the first 10 days of the month.

GM lost ground in both cars and trucks, but Buick and Cadillac were up 15 percent. Oldsmobile and Pontiac held steady, and Chevrolet car-truck sales dropped 16.5 percent.

Cadillac sold 5,884 cars, while rival Lincoln dipped 25 percent to 4,230.

Among the Japanese, Nissan sales were off 26 percent, and Toyota dipped 17 percent.

Honda climbed 6.5 percent after falling with the rest of the market in January and February.

Tom Webb, chief economist for the National Automobile Dealers Association, said he was disappointed in the early-April results, as dealers' hopes were up based on a rise in consumer confidence following the Persian Gulf war.

In a prepared statement, NADA cited tight credit as a factor in "strangling" car sales.

Laforza: Body from Italy, bankruptcy troubles from all directions.

Judge orders new sale to find Laforza's value

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — A federal bankruptcy judge in California last week effectively nullified an earlier sale of some Laforza Automobile Inc. assets to Motor Sports International, an auto exporter based in Dublin, Calif.

The judge asked Laforza's trustee to reopen bidding on some assets of the luxury sport-utility company.

At a liquidation auction in January, Motor Sports International bid $401,000 for Laforza's intangible assets, including its name, engineering rights, applicable patents and proprietary technology.

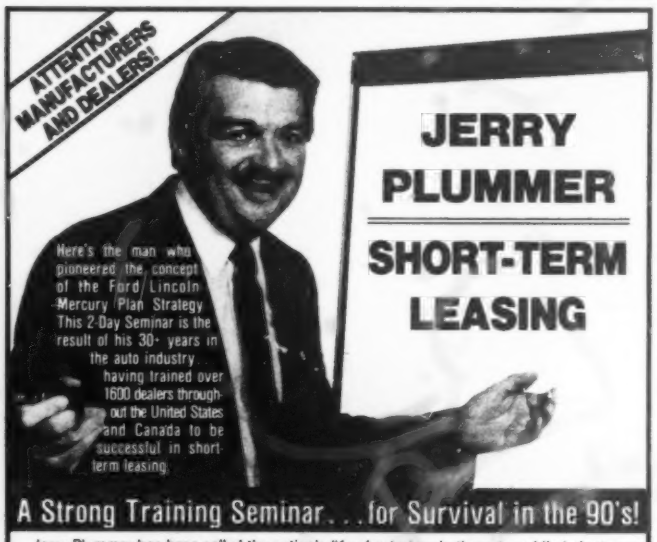
But Laforza's bankruptcy trustee was later urged by losing bidders to declare the bid too low and call for a new sale. Language in legal documents governing the sale was contradictory.

The judge gave the trustee one week to notify potential bidders and 20 more days to hold the sale.

Judge Edward Jellen said the winning bid this time for 13 of the $43,850 sport-utilities, some parts and equipment, and the rest would have to be more than $625,000 if the earlier sale is to be scrapped. The judge will require any successful bidder to pay $25,000 to Motor Sports International for legal fees and other expenses.

An attorney for the trustee said a second auction will be held for more than 250 vehicles still in the hands of C&C Inc. of Brighton, Mich., the firm that finished work on the sport-utility, whose bodies were imported from Italy.

Laforza, which began selling in 1989, was forced into involuntary Chapter 7 bankruptcy last August.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Circle ReaderService #2

GM wants to go green its way

Management statement favored over stockholder's proposal

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

General Motors stockholders are being asked to reject a proposal that the company become a signatory to a set of environmental principles created after the Exxon Valdez oil spill.

GM's board urges stockholders to reject the proposal, which is contained in the proxy statement for the 1991 annual meeting May 24 in Nashville, Tenn.

The board claims that a set of "General Motors Environmental Principles" developed after the proxy proposal was filed "best describes our commitment" to the environment.

The Retirement Plan for Employees of The Sisters of Mercy proposes that stockholders ask GM to formally commit to the "Valdez Principles," which were created in 1989 by the Coalition for Environmentally Responsible Economies.

The retirement plan making the proposal holds 10,500 shares of common stock.

Last year, the retirement plan, which then owned 7,900 shares, was one of three organizations backing a proposal asking GM to detail its involvement in space-based weapons research. The 1990 proposal failed, as do most proposals in corporate America that come from outside management.

The Valdez Principles call for protection of the biosphere, sustainable use of natural resources, reduction and disposal of wastes, wise use of energy, risk reduction, marketing of safe products and services, damage compensation, disclosure, appointment of environmental managers, and annual reviews of company progress in implementing the principles.

GM's new set of environmental principles say the company is committed to:

- Restoring and preserving the environment.
- Reducing waste and pollutants, conserving resources, and recycling.
- Educating the public about conservation.
- Research leading to implementation of technology that minimizes pollutant emissions.
- Working with governments to develop "technically sound and financially responsible" environmental rules.
- Assessing the impact of plants and products on the environment, with the goal of continuous improvement.

The principles were formulated in 1991, said GM spokesman Terry Sullivan, although he did not know precisely when they were approved by the board. That means GM's principles were developed after submission of the proxy proposal, which had to meet a Dec. 10, 1990, deadline.

"We see it as a success that these principles have led to board-level discussions," said Ariane van Buren, director of energy and environmental programs for the Interfaith Center on Corporate Responsibility in New York. The Interfaith Center is coordinating efforts to increase nationwide corporate concern for the environment.

But Sullivan maintains that GM's principles were not developed to deflect criticism at the annual meeting about the company's environmental practices.

"The (GM) principles represent the basic thrust of policies we've been operating under since the 1950s," Sullivan said. "Because of the growing interest in the environment, we thought it was time we outlined the spirit of those policies."

In other proxy news, GM Chairman Robert C. Stempel was the highest-paid company official last year, bringing home $1,074,695 in total compensation.

Stempel got a 20 percent increase in base pay, from $725,000 to $869,000, because of his promotion from president to chairman last Aug. 1, but his overall compensation was down 50 percent from 1989. President Lloyd Reuss made $926,979 last year, down 37 percent.

Former Chairman Roger B. Smith was paid $842,976 for seven months last year, a 67 percent decline. The shortfall is mitigated by richer retirement benefits granted to him and other executives last year, and by compensation he began receiving as a board member Aug. 1.

1990 GENERAL MOTORS COMPENSATION

	Salary	Bonus**	Stock options	Stock plan	Total	Percent change
Robert C. Stempel, chairman	$869,000	$115,000	$90,695	$60,813	$1,074,695	–50
Lloyd E. Reuss, president	652,000	70,000	159,333	45,646	926,979	–37
Roger B. Smith,* chairman	685,000	110,000	—	47,976	842,976	–67
F. Alan Smith, executive vice president	587,000	60,000	—	41,067	685,067	–56
Robert J. Schultz, vice chairman	446,000	50,000	—	31,238	527,238	N.A.
John F. Smith Jr., vice chairman	479,000	60,000	—	33,513	572,513	–53

*Retired as chairman July 31, 1990
**For previous years' performance

Report: U.K. carmakers face tough times

By Vaughn Freeman
SPECIAL CORRESPONDENT

LONDON — Britain's passenger-car industry, already reeling from the most severe downturn in demand since the early 1980s, will be hard pressed to regain its former place in the sun during this decade, according to a report issued last week.

The forecast, by the *Euromotor Financial Yearbook 1991*, concludes that increased Japanese market penetration plus tougher competition from such car-producing countries as Spain will hurt even strong companies like Rover Group, Ford of Europe and Nissan Motor Co.'s British manufacturing subsidiary.

"By the end of the decade, Rover's interest in the car industry may be limited to the maintenance of its name on Honda-manufactured products and the holding of a minority stake in Honda's European operations," says Karl Ludvigson, managing director of Euromotor.

> "By the end of the decade, Rover's interest in the car industry may be limited to the maintenance of its name on Honda-manufactured products."
>
> **Karl Ludvigson**
> Euromotor

Honda owns 20 percent of Rover.

Even Nissan, the first Japanese carmaker to set up manufacturing operations in Britain, faces harder times ahead as the industry generally suffers, the report says. It notes that Nissan has lost money for the past six years on its huge Sunderland manufacturing operation.

"The reason is quite clear," the report says.

"The margins on added value are too low, and there is every indication that the company has been prepared to purchase market share with an uneconomic price structure," it added.

It also says there now must be "substantial" doubts whether Ford will continue to support Jaguar through the "many years required to create a profitable enterprise." Ford paid £1.6 billion (then $2.5 billion) for Jaguar in late 1989, which Euromotor says was "far, far too much."

It adds: "The U.K. as a place for car manufacturing will come under increasing competition in the 1990s, particularly from Spain, which will be an important rival."

British carmakers are suffering the worst drop in sales in 10 years. Sales in the first quarter were off 21.6 percent from a year earlier, to 456,730 units.

March sales were the worst for any March since 1981.

Truck dealers assail floating-discount price system

By Joseph Bohn
TRUCK EDITOR

NASHVILLE, Tenn. — Commercial truck dealers are trying to change what some call "nightmarish" pricing practices and inadequate warranty reimbursements for their repair work.

At the American Truck Dealers' 28th annual convention, George Rafferty, chairman of the group, pointed out the medium/heavy truck industry has no firm prices.

Rafferty: System is untenable

"The only firm price is the dealer's cost. And no trucks get sold for dealer cost except to dealers," he said.

Due to competitive equalization price assistance programs, dealers never know how much to sell a truck for until they call factory officials to see how much extra concession they'll allow on a deal.

Ultimately, many trucks are sold for 20 to 35 percent below cost.

"Gross profits on new trucks are so woefully small that a car dealer makes more on a $15,000 car than we make selling a $60,000 or $70,000 truck," said Rafferty, president of Chicago Kenworth Inc. in Markham, Ill. "It's untenable, really, for all the manufacturers and dealers. Somewhere along the way, we (medium/heavy truck manufacturers) lost our confidence and fought for a place at the lowest bidder table," said John Rock, vice president of customer sales and service for General Motors.

Rock: Resale values hurt

"In so doing, we have helped erode brand loyalty. And, I'm sorry to say, factories started doing a pretty good job of messing up the resale value as well," he added.

Rafferty said, "Everybody (manufacturers) tries to do it (weight concessions) on a relatively scientific basis. But the final reality rests with one guy, someplace, who in his omnipotent wisdom decides whether he wants to support that given transaction or not."

Don Kott, president of Don Kott Ford-Hino-Isuzu in Carson, Calif., said lack of uniform dealer prices is undermining the whole franchise system.

"Everybody could count on an invoice price that was inviolate. You could build your profits and everything from there. It guaranteed depreciation and involved a lot of other factors," Knott said.

> "Gross profits on new trucks are so woefully small that a car dealer makes more on a $15,000 car than we make selling a $60,000 or $70,000 truck."
>
> **George Rafferty**
> ATD chairman

"Frankly, that's been cracked with this competitive price adjustment deal. Today the (medium/heavy truck) franchisee out there has no idea what the hell his base cost is on some of these trucks."

Rafferty said manufacturers can price fleet deals with "some degree of reasonableness" because they know the quantity of vehicles involved, what their need for orders is and what their costs will be when a customer wants the trucks.

Still, he added, the issue of whether manufacturers offer the same discounts on all similar transactions in such deals remains.

Dealers also described poor reimbursements and confused policies for warranty work, though the association has been making some headway on this problem.

Typically, there are a variety of different warranties on a truck from suppliers, covering everything from engines to taillamps.

Rafferty said dealers need published warranty statements from all the suppliers, spelling out what they do and don't cover and how to collect on the repair work.

They also need better markups on such work, he added. In some cases, vendors continue to pay dealers in parts, rather than cash. Sometimes, they don't pay at all. Dealers often aren't reimbursed the handling costs for shipping a replaced part back to the supplier.

Some manufacturers, such as Mack Trucks Inc., and suppliers such as Cummins Engine Co. of Columbus, Ind., have begun responding to the problem.

Mack Trucks, for example, has begun paying retail rates for warranty labor and parts work, according to Fred Stevenson, manager of American Truck Dealers consulting services. Most other truck firms usually allow dealers a 25 percent markup on such work.

But negotiating better prices on a vendor by vendor basis will take "forever," Rafferty added.

ATD would like each truck manufacturer to administer all the warranties and service contracts relating to their vehicles.

"They could do it more efficiently and with greater clout than we (dealers) can because they're dealing with the same group of vendors. A small group at the OEM level could do what each dealer now has to do individually," he added.

Some manufacturers like GM and Kenworth Trucks have expressed interest in doing this, but view it as a long-term goal.

Truck business is shifting, says ATD award winner

By Joseph Bohn
TRUCK EDITOR

NASHVILLE, Tenn. — Don Kott graduated from college and began specing and pricing trucks at his father's dealership in Los Angeles. Despite selling a lot of Fords, Lincolns, Mercurys, Chryslers and Plymouths, he's been a truck man ever since.

Kott received the ATD/*Business Week* Truck Dealer of the Year award at the American Truck Dealers' 28th annual convention and exhibition.

Kott: ATD award winner

He will sell 10,000 cars and trucks this year at his Don Kott Ford, Don Kott Lincoln-Mercury and Carson Chrysler-Plymouth dealerships in Carson, Calif.

"The business has shifted, and it's continuing to shift," he said. "Some of the traditional trucks and truck lines that sold in the past are not being sold in volume, and they're probably not going to be sold in volume again."

Kott's sales are running 15 to 16 percent ahead of last year, due to his seeking out new markets.

He has developed a full-service maintenance lease for owner-operators, for example. It uses extended factory warranties to provide two-year, unlimited-mileage leases to operators for substantially less than lease companies charge.

Kott has been the top-volume dealer for Isuzu Truck and Hino Diesel Trucks for the past five years. He ranks 15th with Ford Motor Co. in total truck sales and ninth in total car and truck sales.

In handling national fleet accounts and operating an in-house leasing company and a daily rental fleet of 300-400 vehicles, Kott has sought to be in the "total transportation business" from the outset.

He built heavy-truck capability into his early dealership to help it compete against nearby Cormier Chevrolet, one of Chevrolet's largest dealerships.

Now, with a total complex encompassing 26 acres, Kott finds that he, like other dealers, has to contend with real estate management as a major concern.

BRIEFS

Truck dealer parley attracts big turnout

NASHVILLE, Tenn. — The economic downturn failed to dampen attendance at the American Truck Dealers' 28th annual convention and exposition.

American Truck Dealers, a division of the National Automobile Dealers Association, drew 1,801 to its conference.

The event at the Opryland Hotel attracted 80 exhibitors, three fewer than the 1990 convention, because of a lack of space, according to Gary Heimes, NADA director of conventions and expositions. He said five companies were on the exhibitor waiting list but there was no place to put them.

The 1992 convention, scheduled for April 11-14 at the San Francisco Hilton, will provide almost twice as much exhibit space at Brooks Hall, Heimes said.

The hall itself is almost twice as large as anything previously available to American Truck Dealers and the dealer group is planning its largest exhibition yet.

Mack seeks retirements

HAGERSTOWN, Md. — New contract provisions, approved by UAW Local 171, give 360 Mark Trucks Inc. shop employees and 10 office workers the option of early retirement.

Employees older than 55 with at least 10 pension-credited years of service can retire with a $300 monthly bonus in addition to their regular pension.

The bonus payments are available for up to seven years or until the employee turns 62.

Mack Trucks has about 928 active employees at the Hagerstown plant. The contract revisions were aimed at resolving a dispute between the UAW and Mack. It expires in October 1992.

MARCH 1991 TRUCK SALES BY GVW

	Mar. 1991	Mar. 1990	3 mos., 1991	3 mos., 1991
Class 1-3	96,997	124,314	256,768	334,559
Class 4	1,798	2,661	4,962	6,807
Class 6	334	443	1,175	1,167
Class 7	1,604	2,206	4,847	6,772
Class 8	670	1,249	1,918	3,164
FORD	**101,403**	**130,873**	**269,670**	**352,469**
Class 8	1,777	2,126	5,479	6,098
FREIGHTLINER	**1,777**	**2,126**	**5,479**	**6,098**
Class 1-3	94,298	117,398	238,908	314,379
Class 4	105	0	269	0
Class 5	7	37	33	86
Class 6	306	609	908	1,903
Class 7	518	614	1,515	1,879
CHEVROLET	**95,234**	**118,658**	**241,633**	**318,247**
Class 1-3	24,452	29,505	60,818	79,034
Class 4	68	0	142	0
Class 5	32	270	98	912
Class 6	420	388	1,037	1,132
Class 7	1,447	1,584	3,031	3,419
GMC	**26,419**	**31,747**	**65,126**	**84,497**
Class 7	10	70	45	127
Class 8	783	1,279	2,805	3,779
KENWORTH	**793**	**1,349**	**2,850**	**3,906**
Class 6	35	144	123	354
Class 7	46	192	165	472
Class 8	922	1,512	2,430	3,396
MACK	**1,003**	**1,848**	**2,718**	**4,222**
Class 6	43	41	78	121
Class 7	39	99	141	263
MERCEDES-BENZ	**82**	**140**	**2,430**	**384**
Class 4	1	0	7	7
Class 5	2	11	15	27
Class 6	849	1,401	1,607	3,142
Class 7	3,353	2,374	8,091	7,423
Class 8	2,498	2,047	6,805	6,139
NAVISTAR	**6,703**	**5,833**	**16,525**	**16,738**
Class 7	23	37	56	121
Class 8	624	1,019	2,134	3,053
PETERBILT	**647**	**1,056**	**2,190**	**3,174**
Class 7	33	68	87	174
Class 8	898	1,267	2,082	3,180
VOLVO/GM HEAVY	**931**	**1,335**	**2,169**	**3,354**
Class 1-3	32	50	81	101
Class 5	38	68	112	129
Class 6	64	95	162	195
Class 7	54	144	146	317
HINO	**188**	**357**	**501**	**742**
Class 1-3	56	115	126	221
Class 5	86	145	209	268
Class 6	34	74	81	131
Class 7	44	87	94	160
NISSAN DIESEL	**220**	**421**	**510**	**780**
Class 1-3	777	760	1,608	1,758
Class 4	81	67	213	168
Class 5	20	54	74	93
Class 6	85	387	183	716
Class 7	8	59	55	161
ISUZU TRUCK	**971**	**1,327**	**2,133**	**2,896**
Class 1-3	191	189	405	466
Class 5	49	66	141	184
Class 6	35	23	93	62
Class 7	45	67	101	168
MITSUBISHI FUSO	**320**	**345**	**740**	**880**
Class 8	1	11	8	33
SACNIA	**1**	**11**	**8**	**33**
Class 1-3	–	136	–	326
Class 4	–	47	–	105
Class 5	–	22	–	45
Class 6	–	15	–	33
IVECO TRUCKS	**0**	**220**	**0**	**509**
Class 8	53	93	188	243
WESTERN STAR	**53**	**93**	**188**	**243**
Class 1-3	139,098	149,151	342,725	420,167
Class 6	0	0	0	34
Class 7	0	0	0	1
Class 8	43	64	112	169
OTHER TRUCKS	**139,141**	**149,215**	**342,837**	**420,371**
CLASS 1-3	**355,901**	**421,618**	**901,439**	**1,151,011**
CLASS 4	**2,053**	**2,775**	**5,593**	**7,087**
CLASS 5	**234**	**673**	**682**	**1,744**
CLASS 6	**2,285**	**3,629**	**5,447**	**8,998**
CLASS 7	**7,224**	**7,601**	**18,374**	**21,457**
CLASS 8	**8,269**	**10,557**	**23,961**	**29,254**
TOTAL TRUCKS	**375,886**	**445,954**	**957,707**	**1,219,543**

SOURCE: Automotive News Data Center and MVMA

COMING EVENTS

General

April 24-25 — Automotive Parts Manufacturers' Association conference, Convention Center, Hamilton, Ontario, (416) 366-9673

April 28-May 1 — National Association of Fleet Administrators Inc. conference, located in the Atlanta Marriott Marquis, Atlanta, (908) 494-8100

April 29-May 1 — Automotive Testing Workshop, International Test and Evaluation Association, Aberdeen Proving Ground, Aberdeen, Md., (703) 522-1820

May 14-16 — Contract Manufacturers Expo, Contract Manufacturers Association, Philadelphia Convention Center, Philadelphia, (313) 643-6807 or (800) 635-9885

May 14-18 — National Vehicle Leasing Association conference, San Francisco Marriot, San Francisco, (213) 838-3170

May 15-17 — Society of Automotive Analysts conference, Century Plaza Hotel and Towers, Los Angeles, (703) 525-1191

May 22-25 — Automotive Dismantlers & Recyclers Association meeting, Swiss Grand Hotel, Chicago, (703) 385-1001

May 22-26 — Autopromotec, Bologna Trade Fair Centre, Bologna, Italy

June 4-6 — Northeast Interagency Motor Equipment Advisory Committee Conference, Ramada Hotel, West Springfield, Mass., (212) 264-5772

June 4-6 — Inventory Management Exposition & Conference, O'Hare Exposition Center, Rosemont, Ill., (212) 557-6950

June 5-7 — Managing Transportation Carrier Quality Performance Seminar, University of Wisconsin-Madison/Extension Management Institute, Wisconsin Center, Madison, Wis., (800) 362-3020 ext. 2-8890 or (800) 262-6243 ext. 2-8890

June 11-13 — Superabrasives Conference & Exposition, Society of Manufacturing Engineers, O'Hare Exposition Center, & Hyatt Regency O'Hare, Rosemont, Ill., (313) 271-0777

Dealer conventions

May 5-6 — Oregon Automobile Dealers Association, Red Lion Lloyd Center, Portland, Ore., (503) 233-5044

May 12-14 — American International Automobile Dealers Association, J.W. Marriott, Washington, (202) 659-2561

May 19-22 — Pennsylvania Automotive Association Convention and Exhibition, Hershey Lodge and Convention Center, Hershey, Pa., (717) 255-8311

May 23-26 — South Carolina Automobile & Truck Dealers Association, Hyatt Regency, Hilton Head, S.C., (803) 252-0205

June 5-9 — Kentucky Automobile Dealers Association, Opryland Hotel, Nashville, Tenn., (502) 695-3333

June 5-13 Arkansas Automobile Dealers Association, Acapulco Princess Hotel, Acapulco, Mexico, (800) 727-1960

June 9-12 — Idaho Automobile Dealers Association, Sun Valley Resort, Sun Valley, Idaho, (208) 342-7779

June 9-12 — Maryland New Car and Truck Dealers Association, Sheraton Inn, Ocean City, Md., (301) 269-1710

June 14-16 — Wyoming Automobile Dealers Association, Holiday Inn, Rivertor, Wyo., (307) 638-4455

July 21-25 — West Virginia Automobile & Truck Dealers Association, Southampton Princess, Bermuda, (304) 343-4158

Auto shows

April 20-28 — Turin International Auto Show, Turin, Italy

April 24-28 — San Diego International Auto Show, San Diego Convention Center, San Diego, (619) 296-3175

May 3-12 — Oslo auto show, Oslo, Norway

May 4-12 — Barcelona auto show, Barcelona, Spain

June 1-9 — Automundo, Los Angeles Sports Arena, Los Angeles, (213) 748-6136

Sept. 14-22 — Frankfurt auto show, Frankfurt, Germany

Sept. 27-Oct. 20 — State Fair of Texas Auto Show, Fair Park, Dallas, (214) 421-8727

Oct. 3-6 — Albany Truck & Van Show, Empire State Plaza, Albany, N.Y., (518) 438-0584

Oct. 17-20 — Auto Expo, Nassau Veterans Memorial Coliseum, Uniondale, N.Y., (516) 368-8000

Oct. 17-27 — London auto show, London

Oct. 19-20 — Portland Newspapers Auto Show, Civic Center and Exposition Hall, Portland, Maine, (207) 780-9000

Nov. 8-11 — Auto Expo, New Haven Veterans Memorial Coliseum, New Haven, Conn., (516) 368-8000

Nov. 15-24 — South Florida Auto Show, Miami Beach Convention Center, Miami Beach, Fla., (305) 758-2643

Nov. 16-18 — Hartford auto show, Hartford Civic Center, Hartford, Conn., (203) 246-6566

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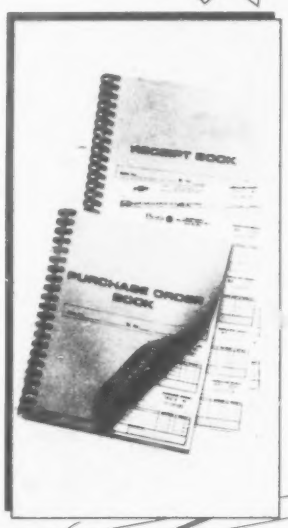

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DEALING WITH DEALERS

BEGINNINGS

Dan Atwood and **Keith Andrews** have opened Toyota of Temecula Valley in Riverside County, Calif.

Zimbrick Inc. has opened Saturn of Madison in Madison, Wis. **John Zimbrick** also has Buick, Honda, Mercedes-Benz, Saab, Isuzu, BMW and Acura franchises at other locations in Madison.

Robert Stillwell has signed with Range Rover for Stillwell Grand Prix Motors in Tucson, Ariz.

Truck Country of Wisconsin has opened in Oak Creek, Wis., selling Freightliner trucks.

Dealers who have signed with Chevrolet recently include: **Mark E. Graham,** Chuck Graham Chevrolet-Cadillac Co. in Bellefontaine, Ohio; **James F. Hattaway,** Hattaway Chevrolet-Oldsmobile Inc. in Blakely, Ga.; **James D. Hawkins,** Hawkins Chevrolet Inc. in Danville, Pa.; **Bradley D. Hubler,** Hubler Chevrolet-Oldsmobile-Cadillac Inc. in Bedford, Ind.; **Gary D. Hyland,** Emerald Chevrolet in Greene, Iowa; **Keith J. Matson,** Matson Motors Inc. in Warsaw, N.Y.; **Tom Roulette,** Courtesy Chevrolet-Geo in San Jose, Calif.; and **David B. Tipton,** Century Chevrolet-Geo Inc. in Birmingham, Ala.

TRANSITIONS

Broadway Chevrolet-Buick Inc. has opened on the site of the former **Deising Motor Co.** in Fond du Lac, Wis. The dealer will handle Chevrolet, Buick, Geo, Jeep and Eagle.

Brookside Chevrolet Inc. has relocated from Hartland, Wis., to Brookfield, Wis. The dealership is owned by **Walter Steffen** and **Daniel Johns.**

Pischke Motors Inc. has relocated within La Crosse, Wis., selling Plymouth, Dodge and Chrysler.

Crowley Lincoln-Mercury in Bristol, Conn., has opened a new 16,000-square-foot body shop.

ADVERTISING

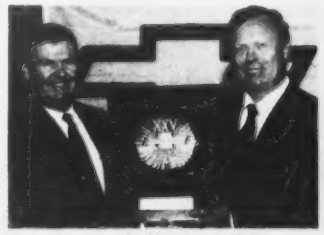
The **New York/New Jersey Peugeot Dealers Advertising Association** has awarded a 1991 Peugeot 405-S sedan to Gary Sabo of East Brunswick, N.J., winner of a hockey goal competition sponsored by the association.

Compiled by Greg Bowens

Anniversary
Jim Roberts Sr., center, and Jim Roberts Jr., right, of Roberts Jeep-Eagle in Auburn, Wash., receive a 25-year-dealer award from Bruce Walker, Chrysler's Portland, Ore., zone manager.

Hamilton has his day
William Hamilton, left, of Hamilton Nissan in Hagerstown, Md., receives a 20-year-dealer award from Robert N. Bibbs, Nissan Motor Corp. in U.S.A.'s Norfolk, Va., regional general manager.

King crowned with silver
Russell B. King, right, of Putnam Sales & Service in Putnam, Conn., receives a 25-year-dealer award from Bill Nicholson, New England zone manager for Oldsmobile.



Dealer celebrates 25
David L. Smith, right, of Dave Smith Motors in Kellogg, Idaho, receives a 25-year-dealer award from Don Campbell, Chevrolet sales manager west.

Pentler's 25th
Irv Pentler, left, of Uptown Motors in Milwaukee, is congratulated on reaching 35 years as a Lincoln-Mercury dealer by Ross Roberts, center, general manager of Lincoln-Mercury Division.

Silver Stoepel
Ken Stoepel, left, of Stoepel Ford-Lincoln-Mercury in Kerrville, Texas, receives a 25-year-dealer award from J.E. Bryce, sales development manager for Ford's Houston district sales office.

Guinn gets award
Steve Guinn, right, of Guinn Brothers Inc. in Henderson, Tenn., receives a 25-year-dealer award from Harold Hurst, Chrysler's Memphis, Tenn., zone manager.

Zimmer is silver
Dick Zimmer, left, of Zimmer Motors Inc. in Moscow, Idaho, receives a 25-year-dealer award from Lee Wetzel, marketing development manager for GMC Truck Division.

Japan exports less to U.S. in '90, but values are higher

Japanese automakers shipped fewer cars to the United States in 1990, but the average value of those cars increased.

The year-end automotive trade statistics from U.S. International Trade Commission illustrate a trend that has seen Japan increase production of smaller cars in the United States while boosting exports of larger cars. Last year marked the full year of Lexus LS400 and Infiniti Q45 shipments. And Honda began exporting its $61,000 Acura NSX.

In 1990, the average value of cars imported from Japan was $10,440, up 6.3 percent from $9,823 in 1989. In comparison, the increase for the industry in general was 4.2 percent.

U.S. automotive shipments to Japan, meanwhile, rose 75.3 percent last year.

That increase was due in part from Japanese transplants in the United States exporting cars to Japan. The average value of U.S. car exports to Japan climbed nearly 10 percent in 1990, to $17,375.

The increased U.S. production by Japanese manufacturers and the 75.3 percent jump in U.S. exports to Japan helped reduce the car trade gap between the United States and Japan by $904 million last year, or 4.6 percent.

Overall, U.S exports fell and imports rose last year. Those two trends combined helped push the the U.S. vehicle trade deficit 2.5 percent higher in 1990, to $42.67 billion.

Five of the 11 countries that export vehicles to the United States increased the value of shipments last year. The value of shipments from Mexico was up 84.2 percent. Others that rose were Germany, 16.8 percent; Italy, 12.0 percent; Yugoslavia, 11.8 percent; and Canada, 6.3 percent.

In addition to Japan, countries that saw a decrease in the value of exports included Brazil, 77.4 percent; France, 58.1 percent; Sweden, 7.5 percent; and United Kingdom, 5.2 percent.

The value of South Korea's exports also fell 29.7 percent. The country's biggest exporter, Hyundai, saw its U.S. sales for 1990 fall 25 percent.

The U.S. automotive trade deficit amounted to 42.2 percent of the country's total merchandise trade imbalance of $100.9 billion.

U.S. AUTOMOTIVE TRADE
(x $1,000)
Passenger cars

Country	Trade	Dec. 1989	Dec. 1990	Annualized trade Jan. 1989-Dec. 1989	Annualized trade Jan. 1990-Dec. 1990
Japan	from U.S.	$ 43,943	$ 57,893	$ 334,817	$ 586,795
	to U.S.	1,876,748	2,008,035	20,152,288	19,500,166
Canada	from U.S.	478,773	151,692	6,146,970	5,849,467
	to U.S.	1,053,604	1,003,840	12,872,651	13,681,398
Germany	to U.S.	410,371	413,577	5,020,555	5,826,690
S. Korea	to U.S.	113,456	137,922	1,592,436	1,120,272
Sweden	to U.S.	154,992	106,166	1,649,382	1,525,957
Mexico	to U.S.	46,797	191,105	1,174,784	2,163,630
Yugoslavia	to U.S.	29	2,270	6,975	7,796
United Kingdom	to U.S.	88,534	110,929	937,014	888,670
Italy	to U.S.	18,150	30,168	262,709	294,322
France	to U.S.	253	3,031	58,765	24,618
Brazil	to U.S.	28,501	3,123	282,399	63,775
Others	from U.S.	293,015	220,331	2,412,747	2,578,247
	to U.S.	44,539	68,844	406,657	618,900
Car total	from U.S.	815,730	429,917	8,894,534	9,014,509
	to U.S.	3,835,974	4,079,011	44,416,615	45,716,194
CAR TRADE BALANCE		(3,020,244)	(3,649,094)	(35,522,081)	(36,701,685)
Truck total	from U.S.	146,425	73,376	1,877,670	1,523,504
	to U.S.	705,330	495,687	7,970,225	7,497,482
TRUCK TRADE BALANCE		(558,905)	(422,311)	(6,093,000)	(5,973,978)
Car and truck total	from U.S.	962,155	503,293	10,772,204	10,538,013
	to U.S.	4,541,304	4,574,698	52,386,840	53,213,676
VEHICLE TRADE BALANCE		(3,579,149)	(4,071,405)	(41,614,636)	(42,675,663)
TOTAL U.S.	from U.S.	31,262,100	33,460,300	363,811,500	394,044,900
Merchandise trade	to U.S.	38,057,600	39,712,300	473,210,800	495,042,000
TRADE BALANCE		(6,795,500)	(6,252,000)	(109,399,300)	(100,997,100)

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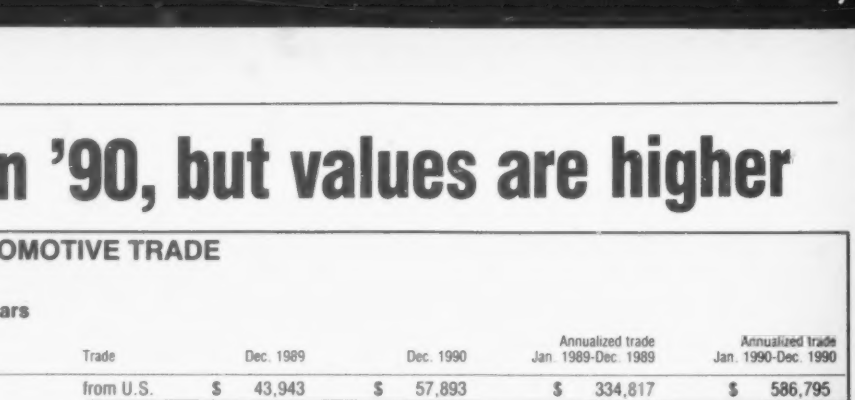

Addition of intercooler and changes to cylinder head help cut emissions of Dodge pickup with Cummins turbodiesel.

Dodge cleans up Cummins truck diesel

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Dodge is adding a charge-air intercooler and a four-speed automatic transmission to its successful Cummins turbodiesel-powered pickup truck.

Available at midyear, the new intercooler, piston and cylinder-head modifications are said to reduce significantly the emissions from Chrysler's most powerful pickup engine. Advertised horsepower and torque ratings are the same as last year's diesel.

Although horsepower is a middling 160 at 2,500 rpm, the diesel workhorse develops a whopping 400 pounds-feet of torque at just 1,700 rpm. Because of the engine's prodigious output, Dodge increased the size of the clutch pack in its A-518 four-speed automatic, which is already used in the gasoline-engine pickups.

Dan Sniesak, manager of vehicle development for large trucks at Chrysler Corp., said the modifications were made to "accommodate the government's 1991 emissions specification change." He said the trucks will even meet California's tough emissions standards.

Trucks with the new engines and Modine charge-air coolers are scheduled to begin arriving at dealerships this month.

Sniesak said the vehicles will have slightly better fuel efficiency, but work is still being done to derive "official" fuel-economy numbers. Some of the fuel economy gain in the automatic is available from the four-speed's taller extra ratio.

In the full-sized D350 pickup priced at $14,754, the diesel package with a heavy-duty driveline and suspension is priced at $3,628. The new four-speed automatic is $887 extra.

A club cab version of the diesel pickup will arrive at the end of July as an early 1992 model.

Rolls-Royce top exec to step down in May 1992

Rolls-Royce auto chief Sir David Plastow has one year left.

Plastow, 58, chairman and chief executive of Rolls-Royce parent company Vickers PLC, will leave in May 1992. He master-minded the luxury car makers' merger in 1980 with Vickers, which produces tanks and medical equipment.

Plastow, leaving under a company rule demanding that executive directors retire at 60, became chief executive of Rolls-Royce Motor Cars in 1971, took the car firm public in 1973, joined the Vickers board in 1975 and became chairman of Vickers in 1987.

He will be succeeded as chief executive by Sir Colin Chandler, 51, who has been Vickers managing director since January 1990. Succeeding Plastow as chairman will be Sir Richard Lloyd, the current non-executive deputy chairman.

Chevrolet ending incentives on '90s

Chevrolet will discontinue customer incentives on its 1990 cars and trucks after the current round expires May 5. Dealers said Chevrolet General Manager J.C. "Jim" Perkins made that announcement earlier this month.

On May 1, Chevrolet will cut its first-time-buyer incentive to $500.

One Chevrolet dealer applauded Chevrolet's effort.

"At some point they've got to stop," said the dealer, who did not want to be named. "We're starting buildout for 1991; its time to start ordering 1992s."

Mazda Motors of America is paying customers $1,500 on 1991 626 and MX-6 through May 2.

After making major changes earlier in April, automakers and importers announced no new national incentive programs last week.

— Arlena Sawyers

INCENTIVE WATCH
CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.
Rebates expire June 30, 1991 unless otherwise noted. Finance rates in lieu of rebates are 4.9 percent to 9.9 percent, depending on length of contract. Finance rates on minivans are 7.9 to 10.9 percent.

Chrysler (1991)*	$1,000-1,500
1990	$500-1,000
Dodge Monaco (1991)*	$1,500
Other 1991 cars*	$400-1,000
Monaco (1990)*	$1,500
Other 1990 cars	$700-1,000
Dodge trucks (1991)	$300-1,500
1990 Trucks	$500-2,000
Eagle Premier (1991)*	$1,500
Other 1991	$700
Premier (1990)*	$1,500
Other 1990	$700,1000
Jeep	
Grand Wagoneer ('91)**	$1,500
Other 1991	$500-1,000
Grand Wagoneer ('90)**	$1,500
Other 1990	$1,000-2,000
Plymouth (1991)	$400-1,000
1990 models	$700-1,000
All minivans without air bag (1991)	$500
1990 models	$1,500

*Expires Sept. 30 on 1990-91 Monaco and Premier and 1991 LeBaron and Daytona
**Expires Dec. 31 on Grand Wagoneer

FORD MOTOR CO.
Finance rates in lieu of rebates range from 4.8 percent to 7.9 percent. All incentives expire June 4.

Ford cars (1991)	$500-1,500
Cars (1990)	$650-900
Trucks (1991)	$500-1,500
Trucks (1990)	$650-1,150
Mercury (1991)	$500-1,000
Tracer (1990)	$650

GENERAL MOTORS
All makes except Cadillac offer cut-rate financing in lieu of rebates. Unless otherwise noted, rebates expire May 5 on 1990 models, July 7 on 1991 models.

Buick (1990)	$250-2,000
Cadillac Brougham ('91)	$1,500
1990 models	$1,200
Chevrolet (1990-91)	$300-1,000
Trucks (1990-91)	$500-1,000
GMC (1990)	$500-1,000
Suburban (1991)*	$1,000
Other 1991	$500-1,000
Oldsmobile (1990-91)	
Regional incentives	$500-2,250
Pontiac Grand Am ('91)	$1,000

*Expires Sept. 25

HYUNDAI (expires July 2)

Excel (1990-91)	$500-1,000
Sonata (1990-91)	$1,000
Scoupe (1991)	$750

MAZDA (expires May 2)

626, MX-6 (1991)	$1,500

SUBARU (expires May 2)

Justy ECVT (1990-91)	$500
Loyale (1991)	$500

TOYOTA (1991, expires Oct. 1)

Celica GT, 4Runner	$800 discount on options

Japanese makers switching to aluminum

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Japanese automakers will plunge further into aluminum during the next four years to address tighter fuel-economy demands in the United States and possibly Japan.

An unclassified cable from the U.S. Embassy in Tokyo reveals that Japanese carmakers are preparing to increase their use of aluminum bodies and components to reduce the weight of cars and trucks, possibly as early as 1993.

Japanese car companies have been concerned about the threat of a higher corporate average fuel economy standard as congressional debate gained momentum during the past year.

There have been suggestions that aluminum could play a major part in lightening the Japanese vehicle fleet without downsizing it, and the embassy's announcement helps focus attention on the strategy.

Congress is considering legislation that would raise the CAFE standard from its current 27.5 mpg to as high as 41 mpg. The Center for Auto Safety this month called for CAFE 45 mpg by 2000.

Although the Japanese fleets have traditionally led their U.S. competitors in fuel efficiency, the importers have done so primarily by manufacturing and selling large numbers of small cars. Their more recent ventures into larger and luxury-class cars have dragged down their fuel economy averages.

Last year, American Honda Motor Co.'s CAFE rating dropped from 31.6 to 30.8 mpg. The company introduced its fiery NSX sports car last year — ironically, one of the industry's only all-aluminum vehicles.

Toyota Motor Sales U.S.A., with its successful Lexus Division launch, also experienced a decline in CAFE ratings, from 32.1 mpg to 30.6 mpg. Nissan Motor Corp. in U.S.A. saw its CAFE rating drop from 30.4 mpg to 28.4 mpg, due in part to its new Infiniti line.

Most Japanese carmakers have instructed their suppliers to find ways to reduce component weight as much as 10 percent during the next two years. At the same time, the Japanese government is talking about setting new guidelines for fuel efficiency and is expected to make an announcement this fall.

Carmakers there are maneuvering to double their use of automotive aluminum by 1995. The cable from the U.S. Embassy and the U.S. Department of Commerce reports the content of discussions between Japanese automakers and Japan's powerful Ministry of International Trade and Industry. Based on those discussions, MITI is projecting an 11 percent annual growth in aluminum use by the auto industry for 1989-95.

Because the rate of growth for the more immediate 1989-93 period is only 9.7 percent, the numbers for 1989-95 indicate greater growth between 1993 and 1995. The MITI projections reveal that the carmakers plan to increase their aluminum demand to nearly twice the rate 1980 to 1985.

The numbers indicate a new vigor among the Japanese automakers to "light-weight" their future vehicles for export. Some officials within the Japanese industry fear that the group may be penalized more than their U.S. Big 3 competitors by substantial changes in CAFE standards.

MITI estimates show Japanese manufacturers plan to increase aluminum use from about 1.1 million metric tons a year now to 2 million metric tons by 1995.

Although some of the increase would stem from an overall growth in Japanese car output, the additional usage — a huge increase that U.S. observers believe the Japanese aluminum industry may be unable to accommodate — suggests that carmakers there plan sizable reductions in steel use.

MITI report projects a steep increase in the demand for aluminum plates and sheets, used mostly for body panels. By 1995, MITI reports, industry demand should more than triple to 190,000 metric tons a year.

Staff Reporter Mary Ann Maskery in Tokyo contributed to this report.

INCENTIVE WATCH
DEALER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.
Premier and Monaco programs expire Sept. 30; others expire June 30.

Dodge Spirit (1990-91)	$500
Monaco (1991)	$1,000-2,000 based on sales, plus $1,000 for each car ordered from factory
Monaco (1990)	$1,000-2,000, based on sales
Eagle Premier (1991)	$1,000-2,000 based on sales, plus $1,000 on each car ordered from factory
Premier (1990)	$1,000-2,000 based on sales
Jeep Grand Wagoneer (1990-91)	$3,500
Plymouth Acclaim (1990-91)	$500
Caravan, Voyager (no air bag) 1991	$500

GENERAL MOTORS

Chevrolet Corvette (1990-91)	$2,000

HONDA (expires April 30)

Accord (1991)	$500

HYUNDAI (1991, expires July 2)

Scoupe, Sonata	$100-300, based on sales

ISUZU (expires June 30)

1990-91 models	$800-2,000 based on sales

MITSUBISHI (1990-91, expires April 30)

Cars, pickups	$300-1,300, quota
Montero	$1,500-2,000, based on sales

NISSAN (expires May 2)

Sentra (1991)	$0-700, quota
Stanza (1990-91)	$0-1,500, quota
Pickups (1990-91)	$400-1,200, quota
Pathfinder (1991)	$1,500, quota
Pathfinder (1990)	$1,500

PEUGEOT (1990, no expiration date) $2,000

SUBARU (expires May 2)

XT (1990-91)	$2,000
Legacy (1991)*	$500-1,700
Loyale (1990)	$800-1,500

*$1,000 extra on 1990 Legacys

SUZUKI (expires June 3)

Swift (1991)	$400-500
Swift (1990)	$400-1,000
Sidekick (1991)	$500-1,000
Sidekick (1990)	$1,000-1,500
Samurai (1990)	$500

VOLKSWAGEN (1990, no expiration date)

Cars	$500-1,500

Japan's lack of aluminum an opening for U.S.

By Lindsay Chappell
and Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTERS

If Japanese automakers are planning to use more aluminum in their future vehicles, they will likely have to source more material from the United States.

U.S. aluminum industry officials say that Japan's lack of raw material capacity may create new opportunities for U.S. aluminum companies. Late last year, Aluminum Co. of America entered into a joint venture with Kobe Steel Ltd. that will start with soft-drink cans and will lead to auto business.

Alcoa is building a plant in Germany to supply Volkswagen AG in creating an aluminum-structure Audi model, a technology that interests Kobe. The vehicle is scheduled to reach the market by 1995.

Japan's Ministry of International Trade and Industry has projected that aluminum use by Japanese automakers will double by 1995.

The Japanese have been in the forefront in aluminum use but lack the capacity to produce aluminum ingot and scrap. With mounting pressure on Japan to use more U.S. parts, this could represent a new opportunity, industry officials say.

But the window of opportunity may be small. In the past six months, Japan's five major steel producers have announced joint ventures or acquisitions that signal a plunge into aluminum.

Despite the cost of aluminum, carmakers are moving forward. Nissan Australia announced last week that it will invest $22 million to increase the capacity of its aluminum casting plant by 60 percent. Isuzu Motors Ltd. is spending $44 million to build a new aluminum foundry for engine parts by 1993. Mitsubishi Motors Corp. is also expanding aluminum production.

AUDI

FROM PAGE 2

in September, Audi will replace its 80, 90, 100 and 200 lines with vehicles that are new from sheet metal to powertrain to suspension.

The 200 Quattro and the V8 Quattro with some engineering changes and a passenger-side air bag as standard equipment will be carried over into 1992. Audi's new 1992 lineup will include the front-wheel-drive 100 that will debut in September, followed by the 100 Quattro with automatic transmission, the fwd 90 and the 90 Quattro with automatic transmission.

Mugg admits that five years ago Audi had "troubles we didn't always handle very well. Troubles that left Audi badly wounded and in some disarray."

Audi's sales in the United States have declined each year since reaching a peak of 74,061 in 1985. Last year's sales were 21,106.

Audi's underlying problems with quality, dealers, marketing and customer satisfaction came to a head when its 5000 came under fire for alleged unintended-acceleration problems in 1986. Though the U.S. government eventually concluded that driver error was the cause of the problem, the situation led to a lack of consumer confidence and tarnished Audi's image.

Mugg said Audi has been working toward its market repositioning for three years by instituting innovative leasing programs, bumper-to-bumper warranties and the "Take Control" ads that stress driver control and safety.

Audi quality, Mugg said, is second only to that of Mercedes-Benz and better than that of Cadillac, which won the Malcolm Baldrige award for product quality.

Also, Audi weeded out what it considered to be weak dealers. Gone are those megadealers that Audi believed were too large to give its customers the attention they deserve and the dealers who just didn't have the customer base to support the franchise.

In the last two years, Audi has reduced its dealership body to 341 from 412. Of the 86 dealerships that departed, about six were terminated by the importer while the owners of the others either declared bankruptcy or voluntarily relinquished the franchise.

> Audi's current dealer body is better, more profitable — they actually sell our cars.
>
> **Richard Mugg**
> Audi of America
> vice president

The restructuring also included 71 major dealership-owner changes and 17 minor ownership changes and the addition of 15 new dealers. Mugg said Audi's current dealer body is "better, more profitable — they actually sell our cars."

But the first quarter of 1991 was perhaps the most difficult Audi has experienced in the U.S. market. January-March sales were 48 percent below the first quarter of 1990. Also, Lexus and Infiniti, the Japanese luxury cars, have taken a substantial chunk of the upscale car market.

Still, Mugg said Audi is "holding its own" in a down market and he is confident that Audi can carve a niche between other European luxury cars and Japanese luxury cars.

"We're not happy with today's numbers, but we're not discouraged," he said.

Other topics discussed during the session:

- Volkswagen and Audi will stick with their "no customer rebate" stance. "We will continue to market our products without rebates under the concept of honest value," said Young. The company will continue to offer incentives to dealers.
- Volkswagen sales were down 24 percent for the first quarter. A contributing factor, Young said, is that VW no longer sells cars to daily rental companies, per the request of its dealers.
- VWoA will spend $1 billion to expand its facilities in Mexico, primarily to serve North America.
- Jetta ECO diesels are being shipped to U.S. dealers. VWoA said the cars have more horsepower and torque and emit less smoke and noise than most diesels, but they will not meet California's 1994 emissions standards.
- Young would not make a 1991 sales projection. "We're not certain how the market will develop."

'Jolly John' unfazed by realty clash

SACO, Maine — "Jolly John" Pulsifer, owner of what was once the seventh largest auto dealership in New England, is not worried about a bank's threat to sell the land under his business, his lawyer says.

Pulsifer's southern Maine dealership has been operating under bankruptcy protection since August.

"His position is that the retention of all these properties is not essential to his reorganization as a car dealer. He is focusing on his main business, which is selling cars," said attorney U. Charles Remmel II.

Fleet Bank of Maine wants Jolly John Ford-Lincoln-Mercury out of the building it occupies so it can sell the real estate before the auto market rebounds, said Kathleen Barry, an attorney for Fleet.

"Obviously, the bank wants to sell at the right time of year," she said. "There has been some interest expressed by potential bidders."

Fleet plans to announce a foreclosure auction soon after April 29, when the 90-day, post-foreclosure period expires, said Barry. Under state law, former owners of foreclosed land have 90 days to repay the lender.

On Jan. 29, the bank was granted foreclosure of the land and building that comprise the 15-acre Jolly John auto mall in Saco. On March 25, York County Superior Court Judge Carl O. Bradford appointed Boulos Property Management Co. receiver of the property.

Because Jolly John Ford is operating under Chapter 11 bankruptcy protection, the handing over of the property to the real estate firm had little effect on the dealership's daily operations.

But at a hearing in U.S. Bankruptcy Court this week, Fleet will attempt to have the business evicted, Barry said.

Jolly John Ford listed assets of $4.1 million and liabilities of $6.9 million in its Chapter 11 filing.

The dealership owed $3.7 million to General Electric Capital Credit Corp. of Barrington, Ill. In November 1990, the creditor freed $1 million so Jolly John could continue buying cars to sell.

— The Associated Press

Nissan supplier wins $680,170 in arbitration

By Jean Halliday
CRAIN NEWS SERVICE

DETROIT — A three-member panel of the American Arbitration Association awarded $680,170 plus interest to Automotive Moulding Co. of Warren, Mich., according to documents filed in U.S. District Court here.

The award settles the supplier's 1989 lawsuit against Nissan Motor Manufacturing Corp. U.S.A. Automotive Moulding claimed that the Japanese transplant breached several contracts for auto parts, according to *Crain's Detroit Business*, a sister publication to *Automotive News*.

But the two sides are still arguing in court about the date on which the interest costs should begin. They are four days apart on the date.

The court's copy of the arbitration award calls for interest of "9.1 percent per annum from the date of the award to the date of actual payment."

In the suit, Automotive Moulding charged that it had been forced to buy materials from a supplier in Japan at a loss.

Automotive Moulding claimed that Nissan knew or should have known that the drip mouldings it ordered from Automotive Moulding could not be made in the United States using the material specified by Nissan.

The material, a specialized form of black resin, is produced only in Japan and is unavailable to U.S. manufacturers, the suit alleged.

PRODUCTION

U.S. CAR	Week Ended Apr. 20, 1991	Week Ended Apr. 13, 1991	Apr. to Date	Jan. 1 to Apr. 20, 1991	Jan. 1 to Apr. 21, 1990
Horizon	0	0	0	0	4,327
Sundance	0	0	1,795	12,085	21,882
Acclaim	0	0	0	21,549	23,386
Total Plymouth	**0**	**0**	**1,795**	**33,634**	**49,595**
LeBaron A	0	0	0	0	7,320
LeBaron J	1,800	1,790	5,008	12,541	10,262
N. Yorker C-Class	0	204	349	2,468	6,388
Fifth Avenue	0	1,070	1,901	8,089	8,176
Imperial	0	136	306	2,125	5,218
Total Chrysler	**1,800**	**3,200**	**7,564**	**25,223**	**37,364**
Omni	0	0	0	0	4,078
Daytona	500	590	1,552	4,243	7,916
Shadow	900	0	2,983	15,038	24,547
Dynasty	0	0	2,806	33,206	32,755
Spirit	0	0	0	19,481	25,153
Total Dodge	**1,400**	**4,120**	**10,871**	**75,498**	**94,449**
CHRYSLER CORP.	**3,200**	**7,320**	**20,230**	**134,355**	**181,408**
Escort	5,767	0	10,366	54,228	53,896
Mustang	3,705	3,360	7,065	18,523	41,870
Tempo	3,296	0	5,475	30,314	39,908
Taurus	7,699	7,653	21,787	90,879	118,262
Thunderbird	2,507	2,167	5,835	21,348	34,318
Total Ford Div.	**22,974**	**13,180**	**50,528**	**215,292**	**288,254**
Topaz	1,104	0	2,445	13,299	15,742
Cougar	1,666	1,644	4,449	15,628	22,970
Sable	2,664	2,724	7,337	29,662	34,774
Total Mercury	**5,434**	**4,368**	**14,231**	**58,589**	**73,486**
Continental	1,202	1,216	3,344	17,780	17,208
Mark VII	211	210	587	3,105	8,581
Town Car	2,829	2,854	7,878	41,835	51,787
Total Lincoln	**4,242**	**4,280**	**11,809**	**62,720**	**77,576**
Total L-M Div.	**9,676**	**8,648**	**26,040**	**121,309**	**151,062**
FORD MOTOR CO.	**32,650**	**21,828**	**76,568**	**336,601**	**439,316**
Skylark/Somerset	2,085	2,079	5,986	35,082	26,314
Century	1,835	1,852	5,318	22,452	18,691
Riviera	284	284	805	3,069	7,019
Electra/Park Ave.	0	0	0	26,337	12,370
LeSabre (fwd)	150	0	150	33,219	48,830
Roadmaster Wagon**	790	790	2,370	8,007	2,106
Reatta	98	98	274	877	2,621
Total Buick	**5,242**	**5,103**	**14,903**	**129,202**	**117,951**
Eldorado	365	371	1,015	4,935	6,870
Seville	909	896	2,530	10,272	8,649
Brougham (rwd)	405	374	1,166	5,943	12,254
DeVille (fwd)	1,855	2,929	6,843	39,384	48,526
Allante	64	64	179	958	1,108
Total Cadillac	**3,598**	**4,634**	**11,733**	**62,258**	**77,407**
Cavalier	6,350	5,614	16,448	84,269	92,039
Camaro	885	818	1,703	11,400	15,550
Corsica/Beretta	6,320	2,166	13,496	64,125	84,278
Caprice	3,110	2,824	8,379	39,128	65,670
Corvette	485	483	1,355	7,175	7,056
Total Chevrolet	**17,150**	**11,905**	**41,331**	**206,097**	**264,593**
Calais	2,111	2,309	6,401	34,554	27,527
Cutlass Ciera	2,643	2,534	6,955	19,712	24,306
Cutlass Supreme	2,475	2,469	6,926	30,599	25,316
Toronado	153	159	438	2,171	6,518
88 (fwd)	150	0	150	19,118	26,368
Custom Cruiser Wag.***	205	205	615	3,736	1,183
98	785	1,418	3,517	23,683	17,150
Total Oldsmobile	**8,522**	**9,094**	**25,902**	**133,573**	**128,368**
Sunbird	2,752	2,176	6,676	37,533	40,801
Grand Am	5,280	4,813	13,934	64,973	55,482
Firebird	625	391	1,016	3,426	9,333
Grand Prix	1,768	1,517	4,520	27,945	32,624
Pontiac 6000	603	635	1,858	9,420	17,237
Bonneville	0	0	0	20,940	21,071
Total Pontiac	**11,028**	**9,532**	**28,004**	**164,237**	**176,548**
Total Saturn	**1,385**	**1,385**	**4,155**	**17,532**	**0**
GENERAL MOTORS	**46,925**	**41,653**	**125,178**	**712,891**	**764,867**
DIAMOND-STAR	**3,175**	**3,081**	**9,379**	**48,278**	**43,827**
Civic	2,080	2,064	6,224	28,753	36,946
Accord	7,460	7,574	22,446	108,878	100,050
HONDA	**9,540**	**9,638**	**28,670**	**137,631**	**136,996**
MAZDA†	**3,251**	**2,933**	**8,530**	**45,927**	**57,952**
NISSAN	**2,630**	**2,593**	**7,534**	**43,725**	**34,577**
Corolla	2,100	2,158	5,990	32,271	32,983
Geo Prizm/Nova	2,000	1,982	6,182	31,770	30,099
NUMMI	**4,100**	**4,140**	**12,172**	**64,041**	**63,082**
SUBARU-ISUZU	**1,184**	**1,183**	**3,517**	**17,619**	**8,909**
TOYOTA	**4,400**	**4,412**	**13,198**	**68,934**	**68,991**
TOTAL BIG 3	**82,775**	**70,891**	**221,976**	**1,183,847**	**1,385,591**
TOTAL TRANSPLANT	**28,290**	**27,980**	**83,000**	**426,155**	**414,034**
TOTAL CARS, U.S.	**111,065**	**98,781**	**304,976**	**1,610,002**	**1,799,625**
TOTAL CARS, CANADA	**25,891**	**19,986**	**68,442**	**309,640**	**274,695**
U.S., CANADA CARS	**136,946**	**118,767**	**373,418**	**1,919,642**	**2,074,320**
U.S., CANADA CARS AND TRUCKS	**216,126**	**199,080**	**616,931**	**3,037,437**	**3,539,510**

CANADIAN CAR	Week Ended Apr. 20, 1991	Week Ended Apr. 13, 1991	Apr. to Date	Jan. 1 to Apr. 20, 1991	Jan. 1 to Apr. 21, 1990
Monaco	0	0	0	690	3,593
Premier	0	0	0	1,613	1,252
CHRYSLER CORP.	**0**	**0**	**0**	**2,303**	**4,845**
Tempo	3,275	0	6,072	33,398	36,657
Topaz	1,309	0	2,012	9,133	12,503
Crown Victoria	1,600	1,802	4,831	28,128	37,108
Grand Marquis	3,180	3,320	9,123	20,388	33,611
FORD MOTOR CO.	**9,364**	**5,122**	**22,038**	**91,047**	**119,879**
Celebrity	0	0	0	0	6,226
Cutlass Ciera	1,780	0	3,205	17,847	24,486
Lumina	5,100	4,659	13,514	55,755	68,486
Pontiac 6000	0	0	0	0	0
Regal	2,900	3,313	8,917	34,813	51,905
GENERAL MOTORS	**9,780**	**7,972**	**25,636**	**108,415**	**89,686**
CAMI	**2,400**	**2,440**	**7,540**	**39,480**	**0**
HONDA	**2,200**	**2,244**	**6,520**	**32,887**	**33,518**
HYUNDAI	**617**	**630**	**2,003**	**11,870**	**5,042**
TOYOTA	**1,350**	**1,390**	**4,165**	**20,940**	**18,918**
VOLVO	**180**	**180**	**540**	**2,696**	**2,887**
TOTAL CARS, CANADA	**25,891**	**19,986**	**68,442**	**302,640**	**274,695**

U.S. TRUCK	Week Ended Apr. 20, 1991	Week Ended Apr. 13, 1991	Apr. to Date	Jan. 1 to Apr. 20, 1991	Jan. 1 to Apr. 21, 1990
Caravan	1,950	1,924	5,932	30,775	35,469
Dakota	2,000	1,978	5,601	20,195	21,967
Caravan C/V	150	83	333	1,293	2,337
Ram pickups	2,000	2,001	5,564	20,164	32,050
Total Dodge	**6,100**	**5,986**	**17,430**	**72,427**	**91,823**
Cherokee	4,100	0	7,373	29,334	49,227
Comanche	100	0	195	1,613	2,237
Grand Wagoneer	0	0	0	0	1,460
Wagoneer/Briarwood	150	0	240	951	1,071
Total Jeep	**4,350**	**0**	**7,808**	**31,898**	**53,995**
Voyager	2,100	1,587	5,692	25,100	33,653
Town & Country	50	55	182	920	1,144
Total C-P Div.	**2,150**	**1,642**	**5,874**	**26,020**	**34,797**
CHRYSLER CORP.	**12,600**	**7,628**	**31,112**	**130,345**	**180,615**
Aerostar	4,150	4,129	11,310	39,439	57,648
Bronco	0	0	519	2,925	16,734
Bronco II/Explorer	6,742	5,662	17,886	83,190	32,586
Navajo	165	142	412	4,356	0
Econoline	2,085	1,992	7,219	34,019	57,065
Mediums/Heavies	1,035	1,024	2,883	11,297	15,599
Light trucks	4,122	3,225	14,641	71,295	137,730
Ranger	6,655	3,576	15,516	69,980	92,975
Total Ford Div.	**24,954**	**19,750**	**70,386**	**316,501**	**410,337**
FORD MOTOR CO.	**24,954**	**19,750**	**70,386**	**316,501**	**410,337**
Astro	2,590	2,562	7,222	27,335	33,797
Blazer	0	9	143	2,084	5,055
Lumina APV	0	1,244	2,218	9,042	30,287
Mediums/Heavies	203	213	578	578	2,327
P-Model	425	401	1,121	5,130	7,146
Pickups	2,784	6,204	13,847	68,114	109,799
S-10	5,744	5,761	15,995	69,548	71,214
S-10 Blazer	1,990	1,679	4,936	9,247	35,357
Sportsvan/Van	1,346	1,320	3,628	12,437	18,582
Suburban	802	763	1,932	7,132	20,199
Total Chevrolet	**15,834**	**20,156**	**51,628**	**210,647**	**333,763**
Jimmy	0	6	82	751	1,686
Mediums/Heavies	397	382	1,056	1,056	3,493
P-Model	75	102	294	1,061	919
Pickups	1,757	2,217	6,021	34,192	37,272
S-15/Sonoma	1,190	1,150	3,690	17,103	17,575
S-15 Jimmy	650	485	1,479	3,171	10,896
Safari	770	756	2,144	10,175	10,283
Suburban	603	597	1,670	6,943	8,613
Vandura/Rally Vans	541	295	1,166	4,800	7,289
Total GMC	**5,983**	**5,990**	**17,602**	**79,252**	**98,026**
Silhouette	0	561	1,041	4,415	9,331
Bravada	480	406	1,364	7,212	0
Total Oldsmobile	**480**	**967**	**2,405**	**11,627**	**9,331**
Pontiac Trans Sport	**0**	**885**	**1,572**	**5,448**	**16,963**
GENERAL MOTORS	**22,347**	**27,998**	**73,199**	**306,974**	**458,083**
NAVISTAR	**1,645**	**1,231**	**4,532**	**23,532**	**26,178**
NISSAN	**2,690**	**2,686**	**7,643**	**42,302**	**47,479**
SUBARU-ISUZU	**940**	**646**	**2,414**	**15,642**	**8,633**
AM GENERAL	**400**	**400**	**1,200**	**6,450**	**7,290**
MISCELLANEOUS	**2,650**	**2,650**	**7,950**	**42,750**	**48,600**
TOTAL TRUCKS, U.S.	**68,226**	**62,989**	**198,436**	**884,496**	**1,181,215**

CANADIAN TRUCK	Week Ended Apr. 20, 1991	Week Ended Apr. 13, 1991	Apr. to Date	Jan. 1 to Apr. 20, 1991	Jan. 1 to Apr. 21, 1990
Caravan	3,258	3,224	9,185	41,477	51,496
Caravan C/V	336	466	1,196	10,306	4,024
Ram Wagon	0	713	1,293	5,885	7,253
Ram Van	0	1,207	2,187	10,453	18,381
Total Dodge	**3,594**	**5,610**	**13,861**	**68,121**	**81,154**
Voyager	2,550	2,490	7,048	31,023	42,554
Total Plymouth	**2,550**	**2,490**	**7,048**	**31,023**	**42,554**
Wrangler	1,500	1,637	4,441	16,097	15,531
Total Jeep	**1,500**	**1,637**	**4,441**	**16,097**	**15,531**
CHRYSLER CORP.	**7,644**	**9,737**	**25,350**	**115,241**	**139,509**
FORD MTR (IL Wks.)	**0**	**0**	**2,287**	**23,624**	**43,531**
Light trucks	0	3,230	5,663	39,557	56,448
Vans	1,584	1,531	4,382	13,075	13,883
Total Chevrolet	**1,584**	**4,761**	**10,045**	**52,632**	**70,331**
Light trucks	0	1,165	2,117	15,747	21,484
Vans	561	611	1,686	6,337	5,825
Total GMC	**561**	**1,776**	**3,803**	**22,084**	**27,309**
GENERAL MOTORS	**2,145**	**6,537**	**13,848**	**74,716**	**97,640**
CAMI	**1,000**	**1,050**	**3,270**	**17,347**	**0**
NAVISTAR	**165**	**0**	**322**	**2,371**	**3,295**
TOTAL TRKS., CANADA	**10,954**	**17,324**	**45,077**	**233,299**	**283,975**
U.S., CANADA TRKS.	**79,180**	**80,313**	**243,513**	**1,117,795**	**1,465,190**

Monthly estimates may contain error of one or two units due to rounding.
*Estimate †Total includes MX-6, 626, and Ford Probe
**1990 totals reflect the LeSabre (rwd). ***1990 totals reflect Olds. 88 (rwd)
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

3 plants hurt by rail halt

By Anne E. Wright
AUTOMOTIVE NEWS CHIEF STATISTICIAN

The one-day national rail strike last week forced three U.S. car plants to cut production.

General Motors' Van Nuys, Calif., facility lost four hours Thursday, approximately 265 units. Ford Motor Co.'s Chicago plant lost two four-hour shifts Wednesday and one four-hour shift Thursday, and the Atlanta car plant was forced to close Friday. Ford lost a total of 1,510 units.

U.S. automakers' estimated assembly of 111,055 units last week was 12.43 percent above the prior week and 0.26 percent below the year-ago week.

Year-to-date, U.S. car production trails 1990 by 10.54 percent.

Estimated truck production last week was 68,226, up 8.31 percent from the previous week and down 5.15 percent from the same week in 1990.

So far this year, 884,496 trucks have been assembled, 25.12 percent below last year.

The Oldsmobile and Pontiac lines at GM's Wentzville, Mo., assembly plant remain idle for model changeover. They are expected to begin producing 1992 models today. Also, the Buick line begins building the 1992 Park Avenue today.

GM's Flint, Mich., car assembly plant began producing the 1992 Buick LeSabre and Oldsmobile 88 Royale last week.

GM scheduled Saturday overtime last week at Lordstown, Ohio; Arlington, Texas; and Moraine, Ohio.

Ford scheduled daily and Saturday overtime last week at the Louisville, Ky., truck plant.

Chrysler's St. Louis (No. 2) truck plant worked Saturday overtime.

Canadian car production was estimated at 25,891 units last week, an increase of 29.55 percent over the prior week and 30.45 percent above the same week in 1990.

Year-to-date, 309,640 cars have been produced putting 1991's total 12.72 percent above 1990.

Truck production last week was estimated at 10,954, down 36.77 percent from the prior week and 40.32 percent below the year-ago week.

Year-to-date, truck production in Canada is 17.85 percent below 1990.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
FORD		
Kentucky Truck	**4/22**	
Medium, heavy and extra heavy trucks		1,010
Oakville, Ontario	**4/22**	
Ford Tempo		3,370
Mercury Topaz		850
GENERAL MOTORS		
Detroit	**4/22**	
Commercial, recreational and specialty chasis		500
CHRYSLER		
Belvidere, Ill.	**4/22**	
Chrysler New Yorker		245
Chrysler Imperial		220
Chrysler Fifth Ave.		775
Dodge Dynasty		3,520
Brampton, Ontario	**4/22**	
Jeep Wrangler		1,435
Sterling Heights, Mich.	**4/22**	
Dodge Shadow		2,210
Plymouth Sundance		2,240
Total U.S. car		**9,210**
Total Canada car		**4,220**
Total U.S. truck		**1,510**
Total Canada truck		**1,435**
Total units lost week of 4/22		**16,375**

Source: Automotive News Data Center

NOTE

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